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COMMERCIAL LENDING

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Quote

Let's kick a little ass in the banking industry.

Robert Linton, chairman of Drexel Burnham Lambert Inc., in a Senate Banking Committee discussion on efforts by bankers to underwrite certain types of bond securities. [1]

Unquote

Experts See Weaker Demand For Banks' Commercial Loans

Economic Slowdown, Attractive Credit Alternatives Cited

By LISABETH WEINER

CHICAGO — Trends in commercial and industrial loan demand are sometimes a reflection of the economy. With that in mind, it appears that commercial loan demand, at least over the next several months, will be weak to moderate. And some economists think that situation may continue well into 1986.

Several economists agree that commercial credit needs will be rising much less rapidly than they did in 1984, when banks generally saw a sharp increase in loan demand during the early stages of the economic recovery.

But with the economy now growing at an annual rate of less than 2%, the impact is being felt at commercial banks of all sizes.

"We've already seen a slowdown in several ways," said First National Bank of Chicago chief economist Roy Moor. A large portion of loan demand over the past year was spurred by leveraged buyouts or merger and acquisition activity rather than capital expansion spending. Consequently, Dr. Moor said, "there have been more transfers of assets rather than the expansion of assets."

Additionally, he said, the amount of debt outstanding relative to the amount of equity is extremely high. This, in turn, Dr. Moor said, is deterring companies from spending.

If indeed banks discover a deterioration in the commercial credit

➳ Loans: Page 27

Top Lenders Feel Effects of Soft Foreign Demand

By L. MICHAEL CACACE

NEW YORK — The smaller banks among the top 100 banks in lending to business had substantially better loan growth in 1984 than the larger banks.

This disparity in growth reflects the fact that the large banks traditionally have depended more on international business lending — a sector that was weak last year. And the smaller banks served the "middle market" sector of the U.S. economy, which had a strong demand for loans last year.

Lending Tables Begin on Page 22

While business loans at the top 25 banks increased by only 1.4%, business loans at the banks ranked 26 to 100 grew by approximately 30%, after adjusting the data for extensive merger activity among the banks in this group.

These are some of the findings of the *American Banker's* annual survey of the top 100 commercial bank lenders to business, published today.

The survey is based on the banks' federal regulatory report of condition for Dec. 31, 1984, and the re-

➳ Survey: Page 27

Top 5 Banks in Business Lending 12/31/84

	(Billions)
1. Citibank NA	$37.0
2. Chase Manhattan Bank NA	32.1
3. Bank of America NT&SA	30.5
4. Manufacturers Hanover Trust Co.	23.7
5. Chemical Bank	16.6

Banks Seek New Profit Sources

Income from Off-Balance-Sheet Items Leading to Rise of the 'Invisible Bank'

CHICAGO — At about two-thirds of the nation's top 100 commercial banks, income from domestic commercial lending comes to less than 30% of total interest earnings.

Additionally, at only 25 of the largest 100 lenders did business loans represent a higher percentage of total lending in 1984 than in 1983, while 75 posted a decline in that percentage. Meanwhile, 81 of the top bank lending institutions racked up an increase in overall business lending during 1984, compared with 1983.

So while banks increased their commercial and industrial lending in 1984, loans to other sectors — such as consumers — grew at a comparatively accelerated rate.

These data, gathered from documents filed with the Federal Reserve Board, and which appear today in *American Banker's* annual survey of the top 100 commercial bank lenders to business, appear to indicate that in the highly competitive commercial lending world, booking commercial and industrial loans may not be nearly so lucrative as some of the other things that banks can do — and in fact are doing — to earn money. These include activities that generate fee income, such as arranging interest rate and currency swaps and transferable revolving underwriting facilities, issuing standby letters of credit, and providing other services that are generally lumped together under the heading of off-balance-sheet items.

➳ Stagnant: Page 6

Garn Wraps Up Senate Hearing, Plans Bond Bill

Senator and Securities Execs Trade Kicks on Bank Powers

By BARTLETT NAYLOR

WASHINGTON — Senate Banking Chairman Jake Garn Thursday concluded a marathon series of hearings on financial deregulation in preparation for writing major banking legislation.

In an interview after the hearing, the Utah Republican said he planned to again sponsor legislation permitting banks to underwrite municipal revenue bonds, as he did last year, but he did not know when he would introduce it. Bank lobbyists expect Mr. Garn's bill to appear after the July 4 congressional recess.

What had promised to be another sleepy hearing Thursday turned into a surprisingly animated debate on the separation of the securities and banking industries.

"Let's kick a little ass in the banking industry," said Robert Linton, chairman of Drexel Burnham Lambert Inc., during a discussion of efforts by bankers to underwrite certain types of bond securities. "As a result of abuses in the 1920s and 1930s by commercial banks that were engaged in securities activities, public confidence in banks was lost," he said. Mr. Linton said bond underwriting is "dangerous" business, and that especially given the thrift crises in Ohio and Maryland, banks should not be empowered to take on new risks.

"Well, let's kick a little ass in the securities industry," Mr. Garn responded. "We got into trouble in Ohio because of a securities firm."

➳ Garn: Page 6

PRINCIPAL INTEREST

Ours is making sure no one offers you better correspondent services.

THIRD NATIONAL BANK

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Banks Seek New Income Sources as Business Lending Tightens

Continued from Page 1

It appears also that the competition among lenders has resulted in such narrow pricing that banks may be finding it more difficult to earn adequate rates of return from the loans that are being booked.

"There's no expansion in manufacturing, no big projects," said the vice chairman of one money center bank. "It's really hard to find customers with expansion programs to lend money to. There's just not a lot of vibrancy right now."

This stagnation in the commercial lending arena is not necessarily a new development. It has evolved since the last recession, but it has been complicated by several factors, industry observers said. One is that the largest banks have lost some of their best and most creditworthy customers to the ballooning commercial paper market, which offers more and more corporations a chance to raise cheaper and cheaper money.

Additionally, observers said, banks have experienced a high level of problem credits, which have cut into domestic interest income. "There have been a lot of nonperforming credits in the domestic economy, especially energy, steel, real estate, and agriculture," one banker said.

Stiff Competition

With the pool of the largest U.S. borrowers significantly reduced, more banks have started to emphasize lending to the middle market, where a substantial number of American corporations thrive. Again, because so many banks are chasing the same businesses, the competition to lend money is particularly stiff and the pricing is extremely narrow. "There is more downpricing to small and medium businesses. These companies are getting extremely good interest rates. That's what competition does to you," one banker said. Meanwhile, some major banks that at first emphasized lending to medium-size businesses are now eagerly seeking the attention of small business customers.

And, experts said, the financing needs of these companies are not comparable to what a major industrial firm would have required for a capital expansion program 10 years ago. "These medium-size businesses," one high-level banker said, "might borrow money for working capital, or to carry inventory or receivables, or to expand a warehouse, but these are mostly modest sorts of things."

While 64 of the top 100 commercial banks earned less than 30% of interest income from domestic loans, 26 earned 31% to 40% of their interest income from domestic loans, eight earned 41% to 50%, and two earned more than 50%.

Bank experts agree that the New York-based money center banks earn more from their international loans than from their domestic loans, and in many cases this constitutes a majority of their commercial lending business. Based on data gathered from the Federal Reserve, the six largest New York banks had an average of 42.3% domestic business loans in 1984, with the remainder foreign business credits.

Meanwhile, the growth of off-balance-sheet items has become an increasingly larger part of commercial banking activity. "Basically," one bank economist said, "there are a lot of new products which don't show up as traditional lending." These items are a mixed bag, he said, and there are no reporting requirements or methods for measuring the residual liability.

Some off-balance-sheet figures are included in the Federal Reserve's Schedule L report. Standby letters of credit, loan commitments, and banker's acceptances are a few of the items that banks are required to report. But David Cates, of Cates Consulting Analysts Inc., is skeptical about the reliability of Schedule L, because there is no enforcement of the data and much of the reporting procedure appears to reflect judgment calls. Additionally, he pointed out, certain items, such as interest rate swaps, do not have to be included in Schedule L, although they can be listed in the "miscellaneous" category.

The "Invisible Bank"

Mr. Cates has come to refer to the growth of off-balance-sheet banking as the "invisible bank." And through some calculations he has found Schedule L to be a significant force. For instance, in looking at the top nine money center banks in New York, Boston, and Chicago, excluding Continental Illinois National Bank and Trust Co., the median growth for Schedule L in 1984 was 31%, compared with a growth of 5.8% for total assets. In comparing the "invisible bank" with the "visible bank," Mr. Cates said the median ratio for Schedule L in relation to total assets was 170%, with First National Bank of Chicago reporting the highest ratio, 217%.

The result of this evolution in commercial banking is that the raw numbers that are available on commercial and industrial loans are showing less and less of the true nature of lending activity.

"The kind of numbers that are available are less meaningful than ever before," one bank economist said. "The nature of competition has changed an awful lot, and the interest income category excludes items that really do involve some sort of lending functions."

Industry observers said other factors have also displaced the domestic loan in terms of importance. For instance, bank experts noted that more companies are borrowing overseas rather than in the domestic market. U.S. corporations have found that by raising funds in the Eurodollar market they are able to attract more favorable rates. "Basically," one banker said, "a U.S. company goes overseas, does a private placement in a foreign currency, and then converts it to U.S. dollars. Increasingly, instead of booking a regular commercial loan, large money center banks are arranging some type of overseas facility and the bank makes its money on the fee income that is generated."

Mr. Cates agreed. "The access to funds is greater because of the increased monetization of the funding process. Meanwhile, banks are being driven out of the Fortune 1,000 market because of commercial paper," he said. "So they are being driven offshore in order to find a place to put their money."

But even the international market is showing signs of being "overlent," Mr. Cates said. In numbers compiled through the Cates Bancompare I service, the median ratio of foreign loans to total loans at money center banks in New York and Chicago declined in 1984 to 37%, from 44% in 1983 and 46% in 1982. Total loan growth for the money center banks was quite modest, an indication, according to Mr. Cates, that domestic loan growth is being offset with international shrinkage.

Another issue that bank economists frequently mention is the use of loans. While it is difficult to pinpoint exactly how borrowings are being used, industry observers believe that as merger and acquisition activity picks up, bank financing is being used for the transfer of assets rather than to finance new capital expansion. "The result is that the money being borrowed is not as productive" as it used to be, one economist said.

— Lisabeth Weiner

Garn . . .

Continued from Page 1

The run on Ohio thrifts began after Cincinnati's Home State Savings Bank collapsed with the failure of E.S.M. Government Securities Inc. in Fort Lauderdale, Fla.

In the House, major banking legislation has already been approved by the Banking Committee, and some observers predict passage before the long August recess. But in the interview, Mr. Garn predicted only that legislation would be approved before the current session of Congress ends in December 1986.

Mr. Linton was one of three securities industry executives who addressed the Banking Committee as a panel Thursday. With him were William A. Schreyer, chairman of Merrill Lynch & Co., the nation's largest brokerage firm, and James D. Robinson 3d, chairman of the American Express Co., parent of the brokerage firm Shearson Lehman Brothers Inc. Also represented were the Securities Industry Association, the major lobby for brokerage firms, and the Investment Company Institute, representing mutual funds.

'The Motherhood Issue'

During the hearing, Mr. Garn lectured the securities industry executives on what he has called "competitive equity."

"I get this line from the securities industry: 'Let us rape, let us pillage,' " the senator said. And when banks ask to enter the securities business, Mr. Garn continued, securities executives "raise the motherhood issue of safety."

"I abhor the crossover of financial services. It is a mistake," Mr. Linton responded.

But pointing out that Drexel Burnham operates a limited-service bank, Mr. Garn said that he gets "tired of all the bullshit that goes on here."

"If the securities industry's hands were clean, we wouldn't have this problem," Mr. Garn said.

Mr. Schreyer and Mr. Robinson disagreed with their colleague from Drexel Burnham, and acknowledged that the division between banking and securities could be redefined.

Both stressed, though, that if banks were given new powers, Congress should consider federal subsidies given to banks, such as Federal Reserve loans and deposit insurance.

"If banks and thrifts want to practice 'fee' enterprise in the name of 'free' enterprise, . . . that's their right, of course," Mr. Robinson said. "But then perhaps they should take a razor blade and scrape the deposit insurance stickers off their windows."

Added Mr. Schreyer, "Legislation should assure that regulation be streamlined in order to achieve the goal of regulation by function, reduce competitive favoritism, and allow the marketplace to continue to shape the future."

On the subject of brokered deposits, Mr. Schreyer endorsed efforts to "curb" their "abuses." Brokered deposits generally are placed in banks by third-party money brokers or brokerage houses on behalf of individual or institutional investors.

"Curtailing excessive growth of brokered deposits in weak institutions is desirable," the chairman of the nation's largest deposit broker said. "But while doing so, legislation must protect this free market and affirm the right of sound depository institutions to utilize brokers as part of a prudent plan of attracting deposits."

Federal regulators have attacked brokered deposits as exploiting federal deposit insurance. ■

BofA . . .

Continued from Page 3

tioned the nature of the departures of the two officers. They said the timing of the resignations and the announcement of expected second-quarter earnings appeared to be more than coincidental. The bank revealed its second-quarter projections on June 4.

"The message is not that there were losses," but that the extent of the losses was not made clear enough to top management, said one senior officer of Mr. Polzin's leave-taking. He added, however, that "Steve is a real loss to the bank."

Another source said of the changes: "You can start to see that the bank is not going to tolerate this any more. I think that's good news."

The departures come after a changeover in the top ranks at BofA's corporate banking area. In February, Richard L. Saalfeld, executive vice president, replaced Mont E. McMillen Jr., also an executive vice president, as head of the North America division, which provides wholesale banking services to the nation's largest corporations.

Mr. Polzin, according to sources, will not be replaced. Instead, individual industry group heads who previously reported to Mr. Polzin will now report directly to Mr. Saalfeld.

Attempts to reach Mr. Saalfeld for comment were unavailing. ■

Grand Jury Indicts 4 For Fraud in California

Special to the American Banker

SEATTLE — A former manager of an Old National Financial Services office in Concord, Calif., has been indicted by a grand jury in San Francisco on 49 counts of fraud.

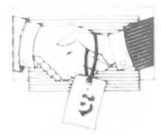
Old National Financial Services is a subsidiary of Old National Bancorp., based in Spokane, Wash. The indictment was handed up in mid-April. It accuses the manager, Robert B. Wilson, and three others, William G. Erb, David W. Jedell, and Benjamin Watson Wills 3d, of 49 counts of fraud. Mr. Erb, Mr. Jedell, and Mr. Wills have no connection with Old National.

The indictment says the four were involved in a scheme in which $2.3 million of loans were made by Old National Financial Services to straw borrowers. Mr. Erb and Mr. Jedell were the real recipients of the loans, the indictment says.

Old National Bancorp. disclosed losses in its financial services subsidiary in July 1982. At the time, it said 40% of the unit's $152 million in loans were nonperforming. Old National since has concluded a so-called "stake-out" agreement, under which it will eventually be acquired by U.S. Bancorp, Portland, Ore. ■

Top 100 Commercial Banks in Loans to Business

Dec. 31 1984, Compared with Dec. 31, 1983.
(Dollar amounts in thousands)



Compiled by **American Banker**
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Rank 12/84	Name of Bank, City, State	BUSINESS LOANS: Total 12/31/84	Total 12/31/83	Percent Change	Rank 12/31/83	Gain in Rank	TOTAL LOANS: 12/31/84	12/31/83	TOTAL ASSETS: 12/31/84	12/31/83	DOMESTIC BUSINESS LENDING: Total 12/31/84	% of Total Business Loans	Interest Income 1984	Gross Int. Inc. 1984	Dom. Inc. As % of Int. Inc.	Gross Return	RATIOS: Business Lending Concentration 12/31/84	12/31/83	GROWTH RATES: Business Loans '79-'84	Total Loans '79-'84	Assets '79-'84
1	Citibank NA, New York	36,984,000	39,428,000	— 6.20	1		72,185,000	69,850,000	120,054,000	113,474,000	11,831,000	31.99	1,498,000	13,945,000	10.74	12.66	51.24	56.45	2.61	6.15	4.86
2	Chase Manhattan Bank NA, New York	32,054,955	33,140,086	— 3.27	2		56,216,108	52,518,213	80,399,540	79,527,458	8,026,193	25.04	1,300,195	8,296,206	15.67	16.20	57.02	63.10	6.07	8.17	5.07
3	Bank of America NT&SA, San Francisco	30,513,000	30,527,588	— 0.05	3		74,119,000	71,090,465	104,084,000	109,668,351	12,405,000	40.65	1,684,000	11,359,000	14.83	13.58	41.17	42.94	3.93	6.48	-0.41
4	Manufacturers Hanover Trust Co., New York	23,662,034	21,476,581	+10.18	4		45,064,236	41,734,579	62,426,652	58,059,865	13,734,529	58.04	1,979,267	6,009,839	32.93	14.41	52.51	51.46	16.72	17.30	7.73
5	Chemical Bank, New York	16,558,030	15,597,532	+ 6.16	7	+ 2	35,010,313	29,301,368	51,232,080	49,345,727	9,460,966	57.14	1,226,244	5,021,190	24.42	12.96	47.29	53.23	10.07	14.94	6.42
6	Continental Illinois National Bank & Trust Co., Chicago	16,486,417	19,586,317	—15.83	5		24,054,813	29,904,063	30,063,705	40,669,908	10,992,525	66.68	1,447,983	3,560,401	40.67	13.17	68.54	65.50	4.02	2.17	-2.47
7	Morgan Guaranty Trust Co., New York	16,482,592	15,859,486	+ 3.93	6		33,966,984	29,068,573	63,540,749	56,204,251	4,829,103	29.30	545,120	5,745,462	9.49	11.29	48.53	54.56	9.37	12.35	9.95
8	Bankers Trust Co., New York	13,045,713	13,306,698	— 1.96	8		23,345,681	22,370,147	44,142,280	40,129,581	6,823,926	52.31	907,706	4,022,016	22.57	13.30	55.88	59.48	11.70	11.02	9.78
9	Security Pacific National Bank, Los Angeles	9,763,429	8,531,553	+14.44	10	+ 1	28,041,839	23,946,029	40,149,543	36,097,991	8,164,925	83.63	897,086	3,804,085	23.58	10.99	34.82	35.63	22.20	16.84	14.12
10	First National Bank, Chicago	9,683,995	10,226,632	— 5.31	9		23,217,128	21,608,484	35,041,579	35,539,783	6,034,926	62.32	761,425	3,692,760	20.62	12.62	41.71	47.33	5.09	10.69	4.18
11	Mellon Bank NA, Pittsburgh	7,412,808	5,691,853	+30.24	13	+ 2	15,983,335	11,785,504	24,530,492	21,809,868	6,092,911	82.19	704,187	2,077,497	33.90	11.56	46.38	48.30	23.36	24.07	16.91
12	Marine Midland Bank NA, Buffalo, N.Y.	6,848,210	6,184,844	+10.73	11		14,996,721	12,888,016	21,677,969	22,634,707	4,288,842	62.63	492,464	2,332,149	21.12	11.48	45.66	47.99	11.87	13.01	7.63
13	First National Bank, Boston	6,621,347	5,959,726	+14.46	12		11,395,204	9,119,832	18,367,026	17,440,544	4,174,180	61.19	436,994	2,484,087	17.59	10.47	59.86	65.35	14.27	18.60	9.69
14	Wells Fargo Bank NA, San Francisco	5,679,848	5,191,264	+ 9.41	15	+ 1	19,069,185	16,890,378	24,025,070	23,855,154	4,430,586	78.01	583,589	2,599,261	22.45	13.17	29.79	30.74	10.70	6.85	4.84
15	First Interstate Bank of California, Los Angeles	5,072,377	3,683,584	+37.70	19	+ 4	13,608,684	11,984,375	20,041,990	20,848,829	3,611,317	71.20	417,780	2,037,526	20.50	11.57	37.27	30.74	25.52	11.49	6.60
16	Crocker National Bank, San Francisco	4,953,133	5,376,204	— 7.87	14		15,647,871	16,025,768	22,000,855	23,001,540	4,016,468	81.09	509,874	2,408,932	21.17	12.69	31.65	33.55	9.18	9.73	7.35
17	Texas Commerce Bank NA, Houston	4,862,952	4,929,472	— 1.35	16		7,249,330	6,284,395	12,142,159	11,863,099	4,192,101	86.20	439,522	1,067,211	41.18	10.48	67.08	78.44	38.50	33.74	24.90
18	RepublicBank Dallas NA	4,129,161	3,558,128	+16.05	21	+ 3	9,600,083	7,561,144	14,378,377	12,581,531	3,394,197	82.20	361,912	1,350,132	26.81	10.66	43.01	47.06	25.96	27.82	14.98
19	Bank of New York	3,934,538	3,153,067	+24.78	22	+ 3	9,313,132	7,640,581	14,714,330	12,645,530	1,852,254	47.08	225,047	1,284,113	17.53	12.15	42.25	41.27	25.49	23.11	12.74
20	Irving Trust Co., New York	3,822,284	4,010,628	— 4.70	17		9,398,390	8,896,941	17,200,807	16,897,106	2,198,869	57.53	275,419	1,677,778	16.42	12.53	40.67	45.08	5.29	11.18	3.18
21	InterFirst Bank Dallas NA	3,683,056	3,979,289	— 7.44	18		6,807,139	6,709,318	10,652,188	11,034,025	3,234,236	87.81	376,367	1,056,997	35.61	11.64	54.11	59.31	14.53	15.83	7.35
22	First City National Bank, Houston	3,377,182	3,625,002	— 6.84	20		6,419,647	5,807,541	9,495,920	10,235,051	3,111,866	92.14	384,651	904,614	42.52	12.36	52.61	62.42	21.21	24.74	10.65
23	National Bank of Detroit	3,247,337	2,824,579	+14.97	24	- 1	6,421,858	4,744,266	11,867,461	11,592,200	2,883,115	88.78	323,809	1,078,804	30.02	11.23	50.57	59.54	18.21	11.25	6.33
24	European American Bank, New York (N)	3,089,357	2,618,937	+17.96	25	+ 1	5,537,135	4,490,268	7,460,817	6,788,358	1,875,521	60.71	255,249	843,661	30.25	13.61	55.79	58.32	21.04	18.30	11.91
25	Seattle-First National Bank	2,936,540	2,941,026	— 0.15	23		7,096,077	6,382,461	8,776,352	8,258,976	2,544,405	86.65	286,559	888,100	32.27	11.26	41.38	46.08	4.59	5.93	0.99
26	National Westminster Bank USA, New York	2,816,805	2,046,238	+37.66	28	- 2	5,813,752	4,701,805	8,749,413	7,485,877	2,469,565	87.67	241,397	820,293	29.43	9.77	48.45	43.52	21.64	18.06	16.09
27	NCNB National Bank of North Carolina, Charlotte	2,409,285	2,054,933	+17.24	27		6,060,100	4,751,776	10,296,422	9,138,864	2,120,253	88.00	253,065	937,327	27.00	11.94	39.76	43.25	30.33	32.13	14.96
28	Union Bank, Los Angeles	2,295,188	2,137,945	+ 7.35	26		5,060,819	4,954,446	8,307,556	7,923,025	2,273,581	99.06	268,934	802,292	33.52	11.83	45.35	43.15	16.41	14.55	8.84
29	First National Bank, Minneapolis	2,270,419	1,855,729	+22.35	29		4,547,409	3,284,853	8,318,041	7,187,746	1,857,920	81.83	214,338	729,215	29.39	11.54	49.93	56.49	38.58	34.05	28.18
30	MBank Dallas NA (N)	2,113,914	1,620,851	+30.42	32	- 2	4,794,439	3,523,476	6,330,716	5,715,188	2,078,668	98.33	221,863	616,287	36.00	10.67	44.09	46.00	42.18	42.31	28.79
31	Pittsburgh National Bank	1,936,458	1,562,786	+23.91	34	+ 3	4,876,740	3,671,816	9,116,191	8,353,574	1,759,630	90.87	193,281	757,992	25.50	10.98	39.71	42.56	14.96	16.36	14.33
32	Philadelphia National Bank	1,898,095	1,446,246	+31.24	38	+ 6	4,485,823	3,073,795	7,169,777	5,841,136	1,737,506	91.54	196,256	556,004	35.30	11.30	42.31	47.05	13.84	11.98	5.46
33	Bank of Tokyo Trust Co., New York	1,827,566	1,799,637	+ 1.55	30		2,545,207	2,618,303	5,084,727	4,505,212	1,378,528	75.43	152,931	429,245	35.63	11.09	71.80	68.73	3.79	7.43	10.20
34	Norwest Bank Minneapolis NA	1,794,570	1,670,629	+ 7.42	31		3,870,666	3,589,298	5,965,067	5,731,456	1,639,758	91.37	203,835	568,782	35.84	12.43	46.36	46.54	23.05	19.33	11.76
35	Southeast Bank NA, Miami (M)	1,782,546	1,413,718	+26.09	39	+ 4	5,964,444	4,043,179	9,544,003	8,477,650	1,772,738	99.45	180,033	900,468	19.99	10.16	29.89	34.97	58.08	74.91	46.42
36	AmeriTrust Co. NA, Cleveland, Ohio	1,755,400	1,337,913	+31.20	43	+ 7	4,140,020	3,196,658	6,617,758	5,799,603	1,709,558	97.39	177,722	575,277	30.89	10.40	42.40	41.85	12.68	11.01	8.18
37	Comerica Bank-Detroit (M)	1,747,223	1,110,159	+57.38	52	+15	4,322,222	2,581,635	7,175,235	5,774,375	1,629,561	93.27	150,355	700,201	21.47	9.23	40.42	43.00	16.44	17.18	12.20
38	Bank of New England NA, Boston	1,745,309	1,386,566	+25.87	41	+ 3	3,442,837	2,433,991	5,051,714	4,453,341	1,624,017	93.05	224,912	549,776	40.91	13.85	50.69	56.97	34.67	41.87	23.46
39	Wachovia Bank & Trust Co. NA, Winston-Salem, N.C.	1,684,065	1,395,971	+20.64	40	- 1	4,902,653	3,634,715	8,592,319	7,697,846	1,570,374	93.25	182,490	781,039	23.37	11.62	34.35	38.41	9.70	18.29	14.08
40	Valley National Bank of Arizona, Phoenix	1,681,923	1,336,939	+25.80	44	+ 4	5,633,109	4,721,451	8,532,058	8,096,390	1,658,473	98.61	188,558	844,111	22.34	11.37	29.86	28.32	16.10	12.08	12.00
41	Harris Trust & Savings Bank, Chicago	1,680,050	1,490,167	+12.74	35		4,085,900	3,537,227	7,767,647	6,973,980	1,610,915	95.88	189,776	764,737	24.82	11.78	41.12	42.13	3.63	6.11	2.10
42	Rainier National Bank, Seattle	1,629,729	1,600,396	+ 1.83	33		4,883,556	3,847,718	7,270,970	5,992,778	1,230,492	75.50	157,652	649,995	24.25	12.81	33.37	41.59	11.36	13.22	13.95
43	Citizens & Southern National Bank, Atlanta	1,614,549	1,323,407	+22.00	45	- 2	4,670,056	3,300,226	7,411,188	6,409,843	1,591,807	98.59	163,234	660,504	24.71	10.25	34.57	40.10	23.92	34.22	22.01
44	Northern Trust Co., Chicago	1,585,380	1,468,529	+ 7.96	36		3,247,382	2,873,126	6,628,028	5,954,922	1,310,996	82.69	142,883	566,263	25.23	10.90	48.82	51.11	11.84	8.31	4.89
45	California First Bank, San Francisco	1,529,327	1,365,339	+12.01	42		3,586,533	3,084,136	5,002,166	4,346,847	1,398,492	91.44	164,563	493,268	33.36	11.77	42.64	44.27	22.80	13.67	10.62
46	United Virginia Bank, Richmond	1,487,312	1,282,440	+15.98	47	- 1	4,359,775	3,395,874	5,847,503	5,385,586	1,483,100	99.72	175,536	597,074	29.40	11.84	34.11	37.76	23.21	27.47	18.31
47	First Fidelity Bank NA, Newark, N.J. (M,N)	1,485,889	730,704	+103.35	78	+31	4,070,526	1,520,259	7,161,788	2,676,633	1,485,889	100.00	177,151	637,579	27.78	11.92	36.50	48.06	59.38	60.28	51.15
48	Connecticut Bank & Trust Co. NA, Hartford	1,482,787	1,085,308	+36.62	53	- 5	3,683,160	2,702,319	6,583,484	5,789,622	1,441,168	97.19	167,961	594,690	28.24	11.65	40.26	40.16	255.76	155.13	174.56
49	Mellon Bank (East) NA, Philadelphia (N)	1,468,077	1,217,906	+20.54	48		3,078,368	2,317,254	4,156,709	4,074,794	1,468,077	100.00	141,257	358,886	39.36	9.62	47.69	52.56	4.26	8.30	-0.69
50	Morgan Bank Delaware, Wilmington	1,383,218	929,752	+48.77	57	- 7	1,881,218	1,430,610	2,793,981	2,195,508	1,303,846	94.26	111,056	262,191	42.36	8.52	73.53	64.99	N.A.	N.A.	N.A.

Footnotes

Data Source: All data were taken from the Federal Reserve Board's computer tape of the Report of Condition and the Report of Income for all insured commercial banks. These data were provided to *American Banker* by ***Data Resources Inc., Lexington, Mass.***

Business Loans: For Dec. 31, 1984, business loans were taken from Column A (Consolidated Bank-both domestic and foreign offices), items 4.a. (commercial and industrial loans to U.S. addressees) plus item 4.b. (commercial and industrial loans to non-U.S. addressees) from Schedule RC-C of the Report of Condition. For Dec. 31, 1983, data were taken from Schedule A of the Report of Condition, items 4.a. plus item 4.b. The Dec. 31, 1984 business loans are net of unearned income, while the Dec. 31, 1983 business loans are gross of unearned income.

As defined by the Federal Reserve Board, commercial and industrial loans or business loans are "loans for commercial and industrial purposes to sole proprietorships, partnerships, corporations, and other business enterprises, whether secured (other than by real estate) or unsecured, single payment or installment. These loans may take the form of direct or purchased loans. The bank's own acceptances discounted and held in its portfolio when the account party is a commercial and industrial enterprise" are included also, as are "loans to individuals for commercial, industrial and professional purposes. Excluded are loans to individuals for investment or personal expenditure purposes and "all commercial and industrial loans held in trading accounts."

The Federal Reserve Board uses the term "domicile" to determine the foreign (non-U.S. addressee) or domestic (U.S. addressee) status of a customer reporting to the bank. "Domicile is determined by the principal business address of a corporation, partnership, or sole proprietorship." U.S. addressees include the 50 states of the U.S., the District of Columbia, Puerto Rico, and the U.S. territories and possessions.

Total Loans: For Dec. 31, 1984, total loans were taken from line 4.a. ("Loans and leases, net of unearned income") of RC-Balance Sheet of the Report of Condition. For Dec. 31, 1983, data were from line 9.a. ("total loans, gross"). As the data items indicate, the Dec. 31, 1984 total loans are net of unearned income, while the Dec. 31, 1983 total loans are gross of unearned income.

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Top 100 Commercial Banks in Loans to Business

Dec. 31 1984, Compared with Dec. 31, 1983.
(Dollar amounts in thousands)

Compiled by **American Banker**
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Rank 12/84	Name of Bank, City, State	BUSINESS LOANS: Total 12/31/84	Total 12/31/83	Percent Change	Rank 12/31/83	Gain in Rank	TOTAL LOANS: 12/31/84	12/31/83	TOTAL ASSETS: 12/31/84	12/31/83	DOMESTIC BUSINESS LENDING: Total 12/31/84	% of Total Business Loans	Interest Income 1984	Gross Int. Inc. 1984	Dom. Inc. As % of Int. Inc.	Gross Return	RATIOS: Business Lending Concentration 12/31/84	12/31/83	GROWTH RATES: Business Loans '79-'84	Total Loans '79-'84	Assets '79-'84
51	Sovran Bank NA, Richmond, Va.	1,358,920	977,687	+38.99	55	+ 4	5,497,207	4,185,250	8,148,098	7,056,340	1,345,096	98.98	158,262	760,205	20.82	11.77	24.72	23.36	59.06	56.67	45.97
52	United States National Bank, Portland, Ore. (M)	1,333,109	1,160,411	+14.88	50		4,227,580	3,330,757	6,596,937	5,641,910	1,333,109	100.00	167,648	604,109	27.75	12.58	31.53	34.84	10.13	12.04	11.81
53	Maryland National Bank, Baltimore (M)	1,314,751	896,388	+46.67	60	+ 7	3,483,500	2,255,683	6,296,791	4,918,908	1,156,860	87.99	131,256	487,828	26.91	11.35	37.74	39.74	24.96	13.47	15.18
54	First Union National Bank, Charlotte, N.C.	1,295,745	1,155,296	+12.16	51		4,169,552	3,042,611	7,177,223	6,653,884	1,278,497	98.67	148,489	695,465	21.35	11.61	31.08	37.97	21.50	33.34	27.62
55	Connecticut National Bank, Hartford (M)	1,281,257	814,137	+57.38	66	+11	3,736,129	2,469,464	6,053,504	4,574,761	1,264,606	98.70	150,752	547,237	27.55	11.92	34.29	32.97	32.57	38.19	27.38
56	Manufacturers National Bank, Detroit	1,272,554	792,936	+60.49	68	+12	3,268,319	2,812,557	5,536,551	5,080,524	1,240,936	97.52	129,889	502,799	25.83	10.47	38.94	28.19	23.57	5.55	6.24
57	Allied Bank of Texas, Houston	1,265,121	1,199,507	+ 5.47	49		2,647,843	1,868,094	4,190,761	3,394,350	1,265,121	100.00	153,845	414,966	37.07	12.16	47.78	64.21	45.53	59.26	52.56
58	Bank Leumi Trust Co., New York	1,224,269	1,307,797	— 6.39	46		1,610,500	1,589,222	2,666,329	3,050,210	903,342	73.79	108,684	296,875	36.61	12.03	76.02	82.29	54.95	36.52	12.82
59	First National Bank, St. Paul, Minn.	1,206,497	885,564	+36.24	61	+ 2	2,700,549	1,948,439	5,555,929	4,079,497	1,204,092	99.80	125,914	502,411	25.06	10.46	44.68	45.45	23.76	25.94	22.63
60	First Interstate Bank of Oregon NA, Portland	1,190,811	917,058	+29.85	59		3,251,879	2,944,902	5,529,563	5,535,803	1,171,340	98.36	129,724	492,908	26.32	11.07	36.62	31.14	11.20	5.01	3.11
61	First Interstate Bank of Arizona NA, Phoenix	1,107,912	837,518	+32.29	64	+ 3	3,650,112	2,988,525	5,703,645	4,874,519	1,105,382	99.77	148,828	530,447	28.06	13.46	30.35	28.02	30.16	19.33	16.01
62	MBank Houston NA (M,N)	1,094,732	328,402	+233.35	160	+98	2,913,021	682,938	4,600,881	1,102,672	923,217	84.33	57,794	193,249	29.91	6.26	37.58	48.09	96.73	148.74	121.79
63	First National Bank, Atlanta	1,087,473	827,964	+31.34	65	+ 2	3,603,309	2,376,169	6,426,324	5,270,170	1,012,333	93.09	113,928	586,147	19.44	11.25	30.18	34.84	30.52	39.48	29.79
64	Huntington National Bank, Columbus, Ohio (M)	1,072,230	418,541	+156.18	122	+58	3,599,788	2,120,235	5,511,072	4,128,905	1,058,146	98.69	117,822	555,876	21.20	11.13	29.79	19.74	50.54	33.29	23.34
65	First Pennsylvania Bank NA, Philadelphia	1,070,076	1,045,768	+ 2.32	54		3,194,414	2,687,783	5,361,388	5,128,125	999,669	93.42	113,447	513,395	22.10	11.35	33.50	38.91	— 8.42	— 4.6	— 7.24
66	First National Bank of Maryland, Baltimore (M)	1,069,729	926,313	+15.48	58		2,296,860	1,820,183	3,735,140	3,369,477	871,790	81.50	104,870	358,283	29.27	12.03	46.57	50.89	26.21	20.97	19.21
67	Fleet National Bank, Providence, R.I.	1,058,294	853,686	+23.97	63		2,862,756	2,053,297	4,654,794	4,866,675	972,082	91.85	113,733	443,292	25.66	11.70	36.97	41.58	14.36	17.11	12.51
68	Fidelity Bank NA, Malvern, Pa. (M,N)	1,055,314	143,649	+634.65	303	+235	2,701,099	489,013	5,904,728	954,074	908,219	86.06	102,545	568,898	18.03	11.29	39.07	29.38	206.88	120.20	162.75
69	Manufacturers Hanover Bank (Delaware), Wilmington	1,038,544	389,669	+166.52	131r	+62	1,489,691	763,763	1,713,491	1,022,682	1,010,768	97.33	82,041	137,906	59.49	8.12	69.72	51.02	N.A.	N.A.	N.A.
70	First Wisconsin National Bank, Milwaukee	1,034,526	952,517	+ 8.61	56		2,590,502	2,254,268	3,824,178	3,513,821	966,261	93.40	113,024	329,957	34.25	11.70	39.94	42.25	4.76	5.62	1.99
71	Chemical Bank (Delaware), Wilmington	1,027,273	752,655	+36.49	73	+ 2	2,088,776	1,580,129	2,152,119	1,738,853	914,199	88.99	94,502	237,128	39.85	10.34	49.18	47.63	N.A.	N.A.	N.A.
72	Midlantic National Bank, Newark, N.J.	959,923	647,899	+48.16	85	+13	2,060,744	1,443,352	3,099,747	2,745,921	939,695	97.89	111,716	264,918	42.17	11.89	46.58	44.89	25.47	27.95	21.60
73	National City Bank, Cleveland (M)	958,071	569,092	+68.35	97	+24	2,803,509	2,155,677	5,076,095	4,192,667	914,328	95.43	78,556	421,169	18.65	8.59	34.17	26.40	21.83	22.12	7.52
74	AmSouth Bank NA, Birmingham, Ala. (M)	945,279	744,092	+27.04	76	+ 2	2,646,754	1,870,529	4,301,905	3,707,188	937,354	99.16	100,526	390,436	25.75	10.72	35.71	39.78	32.95	39.46	29.98
75	Mercantile Trust Co. NA, St. Louis, Mo.	941,053	785,310	+19.83	69		2,220,947	1,731,635	3,742,313	3,434,076	807,568	85.82	84,316	289,758	29.10	10.44	42.37	45.35	9.98	10.49	3.62
76	American National Bank & Trust Co., Chicago	928,642	738,003	+25.83	77	+ 1	2,021,369	1,431,968	3,428,548	3,066,290	763,458	82.21	93,558	302,124	30.97	12.25	45.94	51.54	10.34	17.31	7.23
77	Continental Bank, Norristown, Pa.	913,118	794,276	+14.96	67		1,937,842	1,469,753	2,656,267	2,504,053	913,118	100.00	119,972	262,734	45.66	13.14	47.12	54.04	14.07	14.35	12.80
78	BancOhio National Bank, Columbus (M)	899,592	1,447,470	—37.85	37		2,534,213	3,141,388	4,626,122	5,830,419	890,089	98.94	176,386	556,261	31.71	19.82	35.50	46.08	2.26	— 0.14	— 0.81
79	Shawmut Bank of Boston NA	843,111	879,213	— 4.11	62		1,954,098	1,704,671	3,478,466	3,169,234	803,790	95.34	105,131	305,348	34.43	13.08	43.15	51.58	11.91	16.07	11.19
80	Trust Company Bank, Atlanta	838,758	582,881	+43.90	95	+15	2,066,262	1,221,531	3,902,850	3,090,505	807,681	96.29	96,732	332,403	29.10	11.98	40.59	47.72	25.61	31.16	20.75
81	First Tennessee Bank NA, Memphis (M)	818,212	380,374	+115.11	136	+55	2,589,990	1,068,940	4,647,538	2,411,186	817,512	99.91	110,809	441,916	25.07	13.55	31.59	35.58	21.73	40.68	37.43
82	Texas American Bank/Ft. Worth NA	816,810	757,259	+ 7.86	71		1,886,562	1,500,730	2,772,858	2,553,669	797,964	97.69	91,912	257,780	35.66	11.52	43.30	50.46	27.22	24.75	15.82
83	Citizens Fidelity Bank & Trust Co., Louisville, Ky.	802,540	635,900	+26.21	89	+ 6	1,977,302	1,347,128	3,137,469	2,651,228	802,540	100.00	100,659	287,683	34.99	12.54	40.59	47.20	21.40	20.97	14.32
84	First Jersey National Bank, Jersey City, N.J. (M)	797,278	562,203	+41.81	98	+14	1,034,050	751,743	1,613,730	1,158,279	797,278	100.00	78,230	149,112	52.46	9.81	77.10	74.79	60.96	28.85	22.78
85	Provident National Bank, Philadelphia	791,896	634,145	+24.88	90	+ 5	2,366,947	1,575,813	4,795,086	4,143,764	770,191	97.26	80,612	373,906	21.56	10.47	33.46	40.24	15.34	13.35	20.61
86	First National Bank & Trust Co., Oklahoma City	785,751	754,073	+ 4.20	72		1,485,099	1,492,059	2,482,653	2,604,587	785,751	100.00	83,083	236,588	35.12	10.57	52.91	50.54	30.10	17.06	10.03
87	Bank of Virginia, Richmond (M)	751,819	636,079	+18.20	88	+ 1	2,720,297	2,154,328	4,072,391	3,800,762	723,455	93.23	83,587	440,701	18.97	11.55	27.64	29.53	19.01	22.72	21.01
88	Lloyds Bank of California, Los Angeles	742,495	631,367	+17.60	91	+ 3	2,014,810	2,010,083	2,742,095	2,674,240	740,062	99.67	89,362	288,854	30.94	12.07	36.85	31.41	10.82	5.13	2.18
89	Bank of California NA, San Francisco	732,160	758,825	— 3.51	70		2,399,933	2,474,527	3,389,241	3,948,163	595,692	81.36	89,006	353,919	25.15	14.94	30.51	30.67	10.06	4.56	— 0.33
90	NCNB National Bank of Florida, Tampa (M)	730,824	465,622	+56.96	108	+18	2,724,488	1,298,724	4,574,247	3,097,325	729,616	99.83	81,669	455,808	17.92	11.19	26.82	35.85	712.00	3.84	279.85
91	Chase Lincoln First Bank NA, Rochester, N.Y. (N)	720,167	746,531	— 3.53	75		2,737,422	2,362,170	4,154,750	4,128,618	656,095	91.10	85,743	422,758	20.28	13.07	26.31	31.60	3.77	8.16	6.61
92	Florida National Bank, Jacksonville (M)	717,716	324,632	+121.09	162	+70	3,681,765	2,071,034	5,269,650	3,479,103	711,718	99.16	75,317	476,375	15.81	10.58	19.49	15.67	364.80	379.47	173.54
93	First National Bank, Louisville, Ky.	717,290	649,652	+10.41	83		1,946,034	1,516,289	3,291,286	3,290,741	713,890	99.53	82,496	290,491	28.40	11.56	36.86	42.84	12.49	15.34	13.05
94	Mitsui Manufacturers Bank, Los Angeles	708,274	614,808	+15.20	93		1,309,132	1,064,087	1,780,664	1,675,305	708,274	100.